



From Product Delivery to Value Creation: a Case Study on the Reconfiguration of Dominos' "AI + Service" Ecosystem from the Perspective of Digital Servitization

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Abstract. Under the global digitalization wave, the operational models of enterprises are undergoing profound changes. The traditional single-product delivery model has become increasingly ineffective in the highly competitive and diverse market environment where consumers have diverse demands. Transitioning to a digital service-oriented model has become an inevitable choice for enterprises to enhance their core competitiveness. This article takes Domino's as a typical case and comprehensively employs methods of case reconstruction to deeply explore the digital service transformation path of food delivery enterprises. The research finds that Domino's strengthens brand interaction through social media platforms, uses artificial intelligence (AI) technology to analyze consumer feedback, and optimizes product and service strategies; meanwhile, it deeply integrates digital technology into the consumption process, simplifying the purchase decision-making process. Moreover, Domino's improves service efficiency through automation and integrates humanistic design to balance technology and emotional experience. The research ultimately refines the "Connectivity, Customization, Co-creation" 3C model, providing a theoretical framework for the digital service transformation of enterprises, and confirming that digital services and AI technology have great potential in reshaping the relationship between enterprises and consumers and building enterprise ecosystems.

Keywords: Artificial intelligence; Domino; Digitalization

1 Introduction

According to Nie, a professor from the School of Economics at Renmin University of China, the proportion of digitalization among Chinese listed companies has reached 91% for enterprises that have adopted digital technologies, while those that have not used digital technologies account for 9% [1]. This indicates that consumer demands are becoming increasingly diverse and personalized, and the traditional operation model centered on product transactions is no longer able to meet the demands of market competition. Transitioning to a digital service-oriented model has become the key path for enterprises to seek survival and development. This article selects Domino's as the re-

search object and adopts the method of case reconstruction. Through reviewing the existing literature on digital service transformation of enterprises, this article clarifies the current research status and shortcomings, systematically reconstructs the practice of Domino's digital service transformation, analyzes its specific measures in technology updates, social media operations, etc., conducts case analysis from dimensions such as brand interaction, consumer decision-making, and service experience optimization, and extracts the "3C model" as the theoretical framework. The research aims to reveal the effective path for digital service transformation of food delivery enterprises, explore new models of brand and consumer value co-creation, provide reference experiences for the digital transformation practices of similar enterprises in the industry, and enrich the theoretical research results in the field of digital service transformation in the food industry.

2 Literature Review

With the trend of the global digital wave, the operational models of enterprises are undergoing earth-shaking changes. The traditional single-product delivery model have become increasingly apparent in highly competitive market environment where consumer demands are increasingly diverse. Enterprises have keenly recognized that moving from simple product transactions to a digital service-oriented model that emphasizes value co-creation is an inevitable path to adapt to the times and enhance core competitiveness [2].

Numerous studies have explored the digital service transformation of enterprises. For instance, in the research on the digital transformation of manufacturing enterprises by Wang et al., it was found that through the implementation of digital technology, enterprises can optimize production processes, improve product quality, and enhance customer service [3]. In the service industry, Zhang analyzed how banks use digital technology to provide personalized financial services, improve customer satisfaction, and strengthen market competitiveness [4].

Among the numerous studies on the digital service transformation of enterprises, this essay selects articles focusing on Domino's as a typical case for research. From the perspective of brand engagement, Domino's has fully leveraged the extensive reach of social media platforms and the intelligent analysis capabilities of AI technology to build a bridge for frequent interaction with consumers. On social media, Domino's has established an active online community, encouraging consumers to share their consumption experiences and offer suggestions. At the same time, it uses AI technology to conduct real-time analysis of consumer feedback, accurately capturing the dynamics of consumer demands and promptly adjusting product strategies and service processes. For instance, it optimizes recipes based on consumers' feedback on the taste of new products and improves the logistics and delivery system according to consumers' opinions on delivery time. Through these means, it has effectively enhanced consumers' loyalty to the brand and strengthened its competitive edge in the market [5].

In terms of purchase decisions, Domino's has deeply integrated digital technology into the consumption process. A series of digital measures such as ordering through the

APP, placing orders with AI voice assistants, and the delivery tracking system have greatly simplified the purchase process. Consumers no longer need to go through traditional ordering complexities, as customers can easily place orders by simply moving their fingers or giving voice commands, and can keep track of the order status in real time, from pizza preparation to delivery. This convenient and transparent consumption experience enhances the service experience of consumers and meanwhile subtly influences their purchase decisions, contributing to Domino's competitive advantage among various food brands [6].

However, the few studies have explored on the digital service paths of food delivery on-demand enterprises brings the research limitations. The food delivery on-demand industry has unique attributes such as immediacy and localization, and its digital transformation faces special challenges such as precise delivery within a short time and coping with the order pressure during peak hours. Existing research has lack in-depth exploration for in-depth exploration. In addition, there is a deficiency in the systematic analysis of the brand participation and consumer decision-making chain. Brand participation is not merely simple interaction with consumers, but a complex process involving brand image building, value transmission, and consumer psychological guidance [7]. Currently, there is no complete theoretical framework that clearly explains how brand participation influences consumer decision-making at each stage.

In brief, Domino's case provides a representative case for the digital service transformation of enterprises, fully demonstrating the huge potential of digital service and AI technology in reconstructing the enterprise ecosystem and reshaping the relationship with consumers, and offering insights for subsequent research.

3 Case Reconstruction

Domino's has demonstrated effectiveness in its digital service transformation by focusing on two aspects: technological updates and social media operations for marketing. Domino's began offering takeout services in 1973 and proposed the slogan "Delivery within 30 minutes, otherwise free." The "Deliver Tracker" system and "Pizza Tracker" feature are two major innovative tools of Domino's in the delivery process. "Deliver Tracker" provides consumers with real-time and accurate delivery information. Consumers can clearly see the delivery route of the delivery person and the estimated arrival time. At the same time, this system also has an anomaly warning function. If there are situations such as traffic congestion or bad weather that may affect the delivery time during the delivery process, the system will promptly send a notification to the consumer and re-estimate the delivery time. The "Pizza Tracker" monitors the pizza status, starting from the moment it enters the oven. During the delivery process, through special insulation technologies and equipment, combined with the system's temperature monitoring function, the pizza is kept at a high temperature. This meticulous tracking from production to delivery helps build consumer trust in product quality and delivery punctuality of the purchased pizza, further strengthening the brand's reliable image in consumers' minds. In 2012, Domino's launched a comprehensive consumption platform

that integrates multiple functions. Consumers can complete the entire process of choosing pizza flavors, customizing ingredients, and placing an order and making payment on the APP. The payment methods are diverse, including bank cards and digital wallets, meeting the payment habits of different consumers. At the same time, the APP has a GPS order tracking function which can help consumers to view the status of their ordered pizza in real time on the map, whether it is in the production process, being delivered, or about to be delivered. Each piece of information is presented precisely, such as how far the delivery person is from their location and how long the estimated delivery time is. This transparent order tracking experience greatly alleviates the anxiety of consumers during waiting, giving them a stronger sense of control over their consumption process. Take a busy office worker as an example. During his lunch break, he placed an order through Domino's APP. While waiting, he could arrange his work reasonably based on the order tracking information and not worry about missing the pickup, thus improving the overall consumption experience.

Domino's has established official accounts on major social platforms (e.g., Facebook, Instagram, Twitter), and actively engages in interactive activities with users. The brand regularly releases content such as new product previews, promotional activities, to attract users' attention and encourage them to participate in discussions. Meanwhile, the brand operation team will respond promptly to any questions, suggestions, or complaints raised by users in the comment section or private messages. Domino once conducted a poll on Twitter to explore customer needs and opinions. Through this timely and sincere interaction, Domino solved consumers' practical problems and made consumers feel the brand's attention to them, enhancing the brand's affinity and user stickiness. In terms of social media content creation, Domino's focuses on personalized and emotional content delivery. The brand tailors exclusive content based on the characteristics of different regions and consumer groups. By leveraging the user-generated content (UGC) strategy, the brand encourages consumers to share their unique memories and creative ways of eating with Domino's [8]. The brand selects some outstanding user-sharing content for official reposting and promotion, allowing consumers to feel that their creativity has been recognized and respected. This combination of personalized and emotional content operation methods has successfully strengthened consumer-brand relationships, enabling consumers to establish a deep emotional connection with the brand, and thereby enhancing the brand's favorability and loyalty. The "Create Your Own Pizza" campaign is an innovative initiative by Domino's to encourage users to deeply participate in product creation. In this event, consumers can freely choose the thickness of the pizza crust, types of sauce, various meats, vegetable ingredients, and the amount of cheese according to their taste preferences. This highly personalized customization model caters to consumers' desire for individuality and uniqueness in taste. Many consumers share the pizzas they created on social media, creating a spontaneous word-of-mouth effect. At the same time, during the creative process, consumers invest their emotions and energy, and will have a higher satisfaction and identification with the final product, thereby further enhancing their loyalty to the brand. In conclusion, Domino's has realized a successful digital service transformation by focusing on technological upgrades and social media marketing operations, thereby enhanced the brand's appeal and user loyalty.

4 Case Analysis

Domino's has achieved remarkable success in digital service transformation by comprehensively leveraging strategies in brand engagement, consumer decision - making facilitation, and service experience optimization [9]. From the perspective of brand engagement, Domino's Pizza actively collects and utilizes user feedback from different regions regarding taste or deliver speed, and redesigning products based on these feedbacks in a targeted manner, which reflects a product development philosophy oriented towards user needs. This helps to meet the diverse market demands, enhance the alignment of products with the preferences of consumers in different regions, and strengthen the brand's competitiveness in various markets. By leveraging AI and big data technologies, Domino's has established a "user - enterprise - data" triangular interaction system. Utilizing AI tools to process massive unstructured data (e.g., user reviews, comments) enables precise identification of market trends, consumer sentiment tendencies, and directions for product and service improvement. Through Databricks' native products, customer feedback is efficiently transformed into actionable insights. The application of technologies such as vector search and semantic search which use for more keyword matching enables rapid retrieval and analysis of feedback information, facilitating a quick grasp of consumer sentiments and common themes such as delivery delays, taste preferences. Additionally, the deployment of machine learning models for sentiment analysis and feedback classification optimizes performance and enables automatic scaling, allowing the enterprise to more efficiently utilize data, promptly adjust brand strategies, and enhance interaction and connection with users. In the dimension of consumer decision-making, digitalization shortens the purchase time and enhances the order placement efficiency. Domino's Pizza simplifies the ordering process through mobile applications and online platforms, enabling customers to quickly complete their orders and track the status of their orders in real time. This significantly reduces the time and operational path from the generation of purchase intent to the completion of the purchase, aligning with the current consumer pursuit of convenience and efficiency, reducing the time cost and operational obstacles during the purchase process, enhancing the shopping experience, and promoting the occurrence of purchase behavior. By leveraging artificial intelligence and big data analysis, personalized recommendations are provided to consumers [10]. Based on consumers' past purchase records, preferences, and other data, products that match their tastes are accurately recommended, reducing the decision-making time and energy consumption when choosing products. At the same time, the instant feedback function allows consumers to promptly understand the order processing progress and other information, reducing the uncertainty during the purchase process, enhancing consumer confidence, improving decision-making efficiency, and ultimately enhancing consumer satisfaction and loyalty towards the brand. In terms of service experience, Domino's has utilized automation to enhance efficiency while maintaining a balance between emotion and technology. The company's intelligent order dispatching system and store intelligent scheduling system have achieved high levels of automation from the perspectives of delivery and store operations. The intelligent order dispatching system accurately assigns orders based on multiple factors

such as order addresses and rider statuses, ensuring rapid delivery and meeting consumers' demands for timeliness. The store intelligent scheduling system, on the other hand, combines historical orders and weather conditions to rationally arrange employees' work, ensuring efficient store operations under different order volumes and improving overall service efficiency, providing consumers with more timely and stable services. Aware that the lack of human touch in digital interactions might affect the emotional connection with customers, Domino's has paid attention to improving this situation through "anthropomorphic design" and "emotional semantics" such as friendly tones and emoji use during its digital transformation. By integrating humanized elements into the digital interaction interfaces of products and services, consumers can feel more emotional care during their interaction with the technology system. This approach maintains and enhances the emotional bond with consumers while ensuring operational efficiency, thereby increasing brand trust of the brand and achieving balanced development between technological efficiency and emotional experience.

5 Theoretical Refinement

In the era of service-oriented transformation, the "3C Model" of Connectivity, Customization, and Co-creation offers a comprehensive framework for brands to foster value co-creation.

The first "C," Connectivity, emphasizes the role of platform-based tools and social media channels in forging stronger relationships between enterprises and users. Domino's serves as a prime example, leveraging innovative platforms and social channels to engage with customers at multiple touchpoints [11]. Beyond basic order confirmations and delivery updates, the brand actively interacts with consumers on social media platforms, creating a two-way communication channel. Additionally, the introduction of a "zero-click" ordering app streamlines the customer experience, demonstrating how enhanced connectivity can foster a sense of care and personal attention, ultimately bolstering customer loyalty.

Customization which is the second "C," empowers users by allowing them to personalize products and service processes, thereby giving them a sense of control. Domino's enables customers to customize their pizzas by selecting from a wide range of toppings and flavors, and even tailoring the entire service experience. This level of customization not only caters to individual preferences but also significantly boosts customer satisfaction and loyalty, as consumers feel that their unique needs are being met.

The final "C," Co-creation, redefines the traditional consumer-brand relationship by positioning users as active partners in value creation. Domino's utilizes a robust data feedback mechanism to collect and analyze customer insights, using this information to drive continuous improvements in products and services. By involving customers in the innovation process, the brand fosters a sense of mutual growth, enhancing customer engagement and facilitating ongoing brand innovation. Through the 3C Model, brands can effectively navigate the service-oriented transformation landscape, cultivating deeper connections with customers and driving sustainable value creation.

6 Conclusion

This study centered on the digital service transformation of Domino's, exploring how the food delivery on - demand giant adapts to the digital era. By analyzing its strategies in brand engagement, consumer decision - making facilitation, and service experience optimization, the research aimed to uncover effective digital transformation approaches for similar enterprises. Leveraging social media and AI technology, the company actively interacts with consumers, analyzes feedback in real - time, and tailors products and services accordingly. Digital tools like mobile apps and tracking systems simplify the purchase process, enhancing consumer convenience. These efforts, summarized in the proposed "3C Model" (Connectivity, Customization, Co - creation), showcase how enterprises can foster value co - creation with consumers. The study offers several key implications that firstly for enterprises integrating digital platforms and data - driven decision - making is crucial for understanding and meeting consumer needs. Second, personalizing products and services through customization can significantly boost customer satisfaction and loyalty. Finally, involving consumers in the co-creation process can drive continuous innovation and strengthen the brand-consumer relationship. This case study contributes to in both practically and academically, as it provides actionable strategies and a theoretical framework for food delivery and other service - oriented enterprises to follow in their digital transformation journey and fills a gap in the research on digital service paths of on - demand food delivery enterprises and enriches the understanding of how brand participation influences consumer decision - making, contributing to the broader field of digital business transformation.

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